



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

April 9, 2014

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Oppose AB 1035 (Pérez)** - This measure would extend the statute of limitations on filing a death benefits claim for a firefighter or peace officer who dies of specified presumptive work-related illness from 240 weeks to 420 weeks from the date of injury. Therefore, unless otherwise instructed by the Board, consistent with existing policies to: 1) oppose legislation that erodes reforms accomplished by FY 2003-04 and FY 2011-12 workers' compensation reform legislation; and 2) oppose legislation that expands existing or creates new presumptions related to injuries, illnesses, diseases, or physical conditions and that can be claimed as job-related for workers' compensation or service connected disability retirement, **the Sacramento advocates will oppose AB 1035.**
- **Status of County-Sponsored Legislation**
 - **County-sponsored SB 955 (Mitchell)** - related to adding human trafficking to the list of offenses for which interception of electronic communications (wiretaps) may be ordered, passed the Senate Public Safety Committee on April 8, 2014.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

- **County-sponsored SB 1089 (Mitchell)** - related to Medi-Cal reimbursements for in-patient hospital services for detained juveniles, passed the Senate Appropriations Committee on April 7, 2014.
- **Status of County-Advocacy Legislation**
 - **County-opposed SB 1234 (Block)** - related to extending Labor Code 4850 disability benefits to additional peace officer employees, was placed on the Senate Appropriations Suspense File on April 7, 2014.
- **Status of Legislation of County Interest**
 - **SB 935 (Leno)** - related to increasing the minimum wage, was placed on the Senate Appropriations Suspense File on April 7, 2014.

Pursuit of County Position on Legislation

AB 1035 (Pérez), which as amended on March 27, 2014, would extend the statute of limitations on filing a death benefits claim for a firefighter or peace officer who dies of specified presumptive work-related illness from 240 weeks to 420 weeks from the date of injury.

Current workers' compensation law specifies that a claim for death benefits must be commenced within one year from the last furnishing of benefits, but no proceedings may be commenced more than 240 weeks from the date of injury. AB 1035 would provide that for firefighters and law enforcement officers whose death is caused by certain presumptive-type illnesses including cancer, heart disease, tuberculosis, blood borne diseases, and methicillin-resistant staphylococcus aureus skin infections, a claim for death benefits may be filed within 420 weeks. This bill includes a sunset date of January 1, 2019.

The Chief Executive Office Risk Management Branch (CEO-RMB) indicates that AB 1035 would notably increase workers' compensation liabilities and costs to the County. In addition, CEO-RMB notes that AB 1035 fails to address the need for cost coordination between the workers' compensation death benefits and other employer-funded death benefits. For example, local agencies provide service connected disability retirement benefits, 100 percent of which are passed on to a surviving spouse. CEO-RMB indicates that in cases where recipients are eligible for multiple death

benefits, such as those under worker's compensation and service connected disability retirement, only the highest benefit should be paid. CEO-RMB reports that there is precedence for such a coordination of benefits; for instance in some public agency retirement systems, disability pensions are offset by workers' compensation awards.

AB 1035 is substantially similar to **County-opposed AB 1373 (Pérez) of 2013** and **County-opposed AB 2451 (Perez) of 2012**, both which would have extended the statute of limitations on filing a death benefits claim for a firefighter or peace officer who dies of specified presumptive work-related illness from 240 weeks to 480 weeks from the date of injury. Based on available data at the time, CEO-RMB had estimated that AB 1373 would have cost the County \$25.0 million in increased workers' compensation liability over 20 years for current County public safety retirees, plus an additional \$450,000 a year for death claims for active public safety employees. Both AB 1373 and AB 2451 were vetoed by Governor Brown, whom in his veto message, indicated that comprehensive statistical information is needed to properly evaluate the implications of this legislation. The Governor's veto referenced an in-process study by the National Institute for Occupational Safety and Health (NIOSH), which is conducting a comprehensive review of risks of death to firefighters from cancer and other job-related diseases.

In October 2013, NIOSH published results for the preliminary phase of this study. The Centers for Disease Control and Prevention (CDC) reports that this study analyzed cancer mortality rates for firefighters employed since 1950 in the Chicago, Philadelphia, and San Francisco fire departments. CDC notes that while the study showed higher rates of cancer in the study population, the study did not address other factors that can influence risk for cancer, such as smoking, diet, and alcohol consumption. In addition, few women and minorities were in the study population, further limiting the study's scope. CDC reports that in a future phase of the study, researchers will further examine employment records from the three fire departments to derive more comprehensive information on occupational exposures and cancer incidence and mortality. The CEO-RMB believes that without the completion of the NIOSH study, the true cost implications of AB 1035 cannot be precisely determined, and it is important to wait on this legislation until such data is available.

This office recommends an oppose position on AB 1035. Therefore, unless otherwise directed by the Board, consistent with Board approved policy to: 1) oppose legislation that erodes reforms accomplished by FY 2003-04 and FY 2011-12 workers' compensation reform legislation; and 2) oppose legislation that expands existing or creates new presumptions related to injuries, illnesses, diseases, or physical conditions and that can be claimed as job-related for workers' compensation or service connected disability retirement, **the Sacramento advocates will oppose AB 1035.**

AB 1035 is co-sponsored by the Association for Los Angeles Deputy Sheriffs; California Professional Firefighters; Los Angeles County Probation Officers Union; Los Angeles Police Protective League; Peace Officers Research Association of California; and Riverside Sheriffs' Association. It is supported by the American Federation of State, County and Municipal Employees, Local 685; Association of Orange County Deputy Sheriffs; California Fraternal Order of Police; California Labor Federation, AFL-CIO; Long Beach Police Officers Association; Los Angeles County Professional Peace Officers Association; Sacramento County Deputy Sheriffs' Association; and Santa Ana Police Officers Association.

This bill is opposed by the California Association of Joint Powers Authorities; California Coalition on Workers' Compensation; California Joint Powers Authorities; California State Association of Counties; County of San Bernardino; League of California Cities; Rural County Representatives of California; Santa Cruz County Fire Agencies Insurance Group; and the cities of Cypress, Long Beach, South San Francisco, Torrance, and Visalia.

AB 1035 passed the Senate Labor and Industrial Relations Committee on a vote of 4 to 0 on April 9, 2014. This measure now proceeds to the Senate Appropriations Committee.

Status of County-Sponsored Legislation

County-sponsored SB 955 (Mitchell), which as introduced on February 6, 2014, would add human trafficking to the list of offenses for which interception of electronic communications (wiretaps) may be ordered, passed the Senate Public Safety Committee by a vote of 6 to 0 on April 8, 2014. This measure now proceeds to the Senate Appropriations Committee.

County-sponsored SB 1089 (Mitchell), which as introduced on February 19, 2014, would make technical amendments to **County-sponsored AB 396 of 2011**, which allows counties and the California Department of Corrections and Rehabilitation to draw down Federal Medicaid matching funds to provide reimbursement for the medical treatment of detained juveniles who require in-patient hospital services, passed the Senate Appropriations Committee, on consent, by a vote of 7 to 0 on April 7, 2014. This measure now proceeds to the Senate Floor.

Each Supervisor
April 9, 2014
Page 5

Status of County-Advocacy Legislation

County-opposed SB 1234 (Block), which as amended on March 24, 2014, would extend Labor Code 4850 disability benefits, special leaves of absence without loss of salary benefits, to additional employees who meet the statutory definition of a peace officer, was placed on the Senate Appropriations Suspense File on April 7, 2014.

Status of Legislation of County Interest

SB 935 (Leno), which as amended on March 18, 2014, would increase the minimum wage to \$11 an hour on January 1, 2015, to \$12 an hour on January 1, 2016, and to \$13 an hour on January 1, 2017, and thereafter, adjusts it annually based on inflation, was placed on the Senate Appropriations Suspense File on April 7, 2014.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants